



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-489-826)

Certain Hot-Rolled Steel Flat Products from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that imports of certain hot-rolled steel flat products (hot-rolled steel) from the Republic of Turkey (Turkey) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is July 1, 2014, through June 30, 2015. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]

FOR FURTHER INFORMATION CONTACT: Toni Page or Alexander Cipolla, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1398 or (202) 482-4956, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 22, 2016, the Department published the *Preliminary Determination* of this antidumping duty (AD) investigation.<sup>1</sup> The following events occurred since the *Preliminary Determination* was issued.

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<sup>1</sup> See *Certain Hot-Rolled Steel Flat Products From the Republic of Turkey: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 81 FR 15231 (March 22, 2016) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

The Department received case and rebuttal briefs from Petitioners, Erdemir, and Colakoglu between June 7 and June 20, 2016.<sup>2</sup> A hearing was held on June 23, 2016.<sup>3</sup>

### Scope of the Investigation

The products covered by this investigation are hot-rolled steel flat products from Turkey. For a full description of the scope of this investigation, *see* the “Scope of the Investigation,” in Appendix I of this notice.

### Scope Comments

In the Preliminary Scope Decision Memorandum,<sup>4</sup> the Department set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues.

In the *Preliminary Determination*, we did not modify the scope language as it appeared in the *Initiation Notice*.<sup>5</sup> No interested parties submitted scope comments in case or rebuttal briefs; therefore, the scope of this investigation remains unchanged for this final determination.

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Final Issues and Decision Memorandum, which is hereby adopted by this notice.<sup>6</sup> A list of the issues raised is attached to this notice as Appendix II. The Final Issues and

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<sup>2</sup> See the “Table of Authorities” in the Final Issues and Decision Memorandum for a complete list of case and rebuttal briefs filed.

<sup>3</sup> See “Transcript of Hearing in the Antidumping Duty Investigation of Certain Hot-Rolled Steel Flat Products from the Republic of Turkey” (June 30, 2016).

<sup>4</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Certain Hot-Rolled Steel Products From Australia, Brazil, Japan, the Netherlands, the Republic of Korea, Turkey, and the United Kingdom: Scope Comments Decision Memorandum for the Preliminary Determinations,” dated March 14, 2016 (Preliminary Scope Decision Memorandum).

<sup>5</sup> See *Preliminary Determination* and accompanying Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, entitled “Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Certain Hot-Rolled Steel Flat Products from the Republic of Turkey” at page 5. See also *Certain Hot-Rolled Steel Flat Products From Australia, Brazil, Japan, the Republic of Korea, the Netherlands, The Republic of Turkey, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations*, 80 FR 54261, 54262 (September 9, 2015) (*Initiation Notice*).

<sup>6</sup> See Memorandum to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, entitled “Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Certain Hot-Rolled Steel Flat Products from the Republic of Turkey,” dated August 4, 2016 (Final Issues and Decision

Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, room B-8024 of the main Department of Commerce building. In addition, a complete version of the Final Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Final Issues and Decision Memorandum are identical in content.

### Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in March, April, and May 2016, the Department verified the sales and cost data reported by the mandatory respondents Colakoglu Metalurji A.S. (Colakoglu), Colakoglu Dis Ticaret A.S. (COTAS), and Medtrade Incorporated (Medtrade) (collectively, Colakoglu) and Ereğli Demir ve Çelik Fabrikalari T.A.S. (Erdemir) and Iskenderun Demir Ve Çelik (Iskenderun) (collectively, Erdemir). We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by respondents.<sup>7</sup>

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Memorandum).

<sup>7</sup> See Memorandum to the File, "Verification of the Sales Response of Colakoglu Metalurji A.S. (Metalurji), Colakoglu Dis Ticaret A.S. (COTAS), and Medtrade Incorporated (Medtrade) in the Antidumping Duty Investigation of Hot-Rolled Steel Flat Products from the Republic of Turkey," (June 1, 2016) (Colakoglu Sales Verification Report); see also Memorandum to the File, "Verification of the U.S. Sales Responses of Colakoglu Metalurji A.S. (Metalurji), Colakoglu Dis Ticaret A.S. (COTAS), and Medtrade Incorporated (Medtrade) in the Antidumping Duty Investigation of Hot-Rolled Steel Flat Products from the Republic of Turkey," (June 1, 2016) (Colakoglu CEP Sales Verification Report); see also Memorandum to the File, "Verification of the Cost Response of Colakoglu Metalurji A.S. and its Affiliates in the Antidumping Duty Investigation of Hot-Rolled Steel Flat Product from Turkey," (June 1, 2016) (Colakoglu Cost Verification Report); see also Memorandum to the File, "Verification of the Sales Response of Ereğli Demir ve Çelik Fabrikalari T.A.Ş. in the Antidumping Investigation of Hot Rolled Steel Flat Products from Turkey," (May 31, 2016) (Erdemir Sales Verification Report); see also Memorandum to the File, "Verification of the Cost Response of Ereğli Demir ve Çelik Fabrikalari T.A.S. and its affiliates Iskenderun Demir Ve Çelik," (May 30, 2016) (Erdemir Cost Verification Report).

### Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for Colakoglu and Erdemir. For a discussion of these changes, *see* the Final Issues and Decision Memorandum. We have also revised the all-others rate.

### All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated all-others rate shall be an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding any zero or *de minimis* margins, and margins determined entirely under section 776 of the Act. Where the rates for investigated companies are zero or *de minimis*, or based entirely on facts otherwise available, section 735(c)(5)(B) of the Act instructs the Department to establish an “all others” rate using “any reasonable method.”

In this investigation, we calculated weighted-average dumping margins for Colakoglu and Erdemir, that are above *de minimis* and which are not based entirely on facts available. We calculated the all-others rate using a weighted-average of the dumping margins calculated for the mandatory respondents using each company’s publicly-ranged values for the merchandise under consideration.<sup>8</sup>

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<sup>8</sup> With two respondents, we normally calculate (A) a weighted-average of the dumping margins calculated for the mandatory respondents; (B) a simple average of the dumping margins calculated for the mandatory respondents; and (C) a weighted-average of the dumping margins calculated for the mandatory respondents using each company’s publicly-ranged values for the merchandise under consideration. We would compare (B) and (C) to (A) and select the rate closest to (A) as the most appropriate rate for all other companies. *See Ball Bearings and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010). As complete publicly ranged sales data was available, we based the all-others rate on the publically ranged sales data of the mandatory respondents. For a complete BPI explanation, please *see* Memorandum to the File, entitled “Antidumping Duty Investigation of Hot-Rolled Steel Flat Products from the Republic of Turkey: Final Determination Calculation for the ‘All-Others’ Rate,” dated August 4, 2016 (All-Others Calculation Memorandum).

### Final Determination

The Department determines that the final weighted-average dumping margins are as follows:

Exporter/Producer	Weighted-Average Margin (percent)	Cash Deposit Rate (Percent)
Colakoglu Metalurji A.S./Colakoglu Dis Ticaret A.S. <sup>9</sup>	7.15	7.15
Eregli Demir ve Celik Fabrikalari T.A.S./Iskenderun Demir Ve Celik <sup>10</sup>	3.66	3.65
All-Others	6.67	6.67

### Disclosure

We intend to disclose the calculations performed to interested parties within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b).

### Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of hot-rolled steel from Turkey, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after March 22, 2016, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*. We also will instruct CBP to require a cash deposit equal to the weighted-average amount by which normal value exceeds U.S. price, as indicated in the table above, adjusted, where appropriate, for export subsidies.

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<sup>9</sup> As in the *Preliminary Determination*, the Department continues to find that Colakoglu Metalurji A.S. and Colakoglu Dis Ticaret A.S. are a single entity. See “the “Affiliation and Collapsing” section of the Preliminary Decision Memorandum.

<sup>10</sup> As in the *Preliminary Determination*, the Department continues to find that Eregli Demir ve Celik Fabrikalari T.A.S. and Iskenderun Demir Ve Celik are a single entity. See the “Affiliation and Collapsing” section of the Preliminary Decision Memorandum.

As noted above, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct CBP to require a cash deposit less the amount of the countervailing duty determined to constitute any export subsidies. Therefore, in the event that a countervailing duty order is issued and suspension of liquidation is resumed in the companion countervailing duty investigation on hot-rolled steel from Turkey, the Department will instruct CBP to require cash deposits adjusted by the amount of export subsidies, as appropriate.<sup>11</sup> These adjustments are reflected in the “Cash Deposit Rate” column of the rate chart, above. Until such suspension of liquidation is resumed in the companion countervailing duty investigation, and so long as suspension of liquidation continues under this antidumping duty investigation, the cash deposit rates for this antidumping duty investigation will be the rates identified in the weighted-average margin column in the rate chart, above.

#### U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of hot-rolled steel from Turkey no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise

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<sup>11</sup> See Memorandum to Thomas Gilgunn, Program Manager for AD/CVD Operations Office VII, entitled “Investigation of Certain Hot-Rolled Steel Flat Products from the Republic of Turkey: Final Analysis Memorandum for Ereğli Demir ve Çelik Fabrikaları T.A.Ş. and its Affiliates,” dated August 4, 2016. (Erdemir Final Calculation Memorandum) in the “Adjustments to the Margin Program” section.

entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation as discussed in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

August 4, 2016

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Date

## Appendix I

### Scope of the Investigation

The products covered by this investigation are certain hot-rolled, flat-rolled steel products, with or without patterns in relief, and whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement (“width”) of 12.7 mm or greater, regardless of thickness, and regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

- (1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above unless the resulting measurement makes the product covered by the existing antidumping<sup>12</sup> or countervailing duty<sup>13</sup> orders on Certain Cut-To-Length Carbon-Quality Steel Plate Products From the Republic of Korea (A-580-836; C-580-837), and
- (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or

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<sup>12</sup> See Notice of Amendment of Final Determinations of Sales at Less Than Fair Value and Antidumping Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate Products From France, India, Indonesia, Italy, Japan and the Republic of Korea, 65 FR 6585 (February 10, 2000).

<sup>13</sup> See Notice of Amended Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate From India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, and the Republic of Korea, 65 FR 6587 (February 10, 2000).

- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, the substrate for motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes hot-rolled steel that has been further processed in a third country, including but not limited to pickling, oiling, levelling, annealing, tempering, temper rolling, skin passing, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the hot-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this investigation:

- Universal mill plates (*i.e.*, hot-rolled, flat-rolled products not in coils that have been rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, of a thickness not less than 4.0 mm, and without patterns in relief);
- Products that have been cold-rolled (cold-reduced) after hot-rolling;<sup>14</sup>
- Ball bearing steels;<sup>15</sup>

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<sup>14</sup> For purposes of this scope exclusion, rolling operations such as a skin pass, levelling, temper rolling or other minor rolling operations after the hot-rolling process for purposes of surface finish, flatness, shape control, or gauge control do not constitute cold-rolling sufficient to meet this exclusion.

- Tool steels;<sup>16</sup> and
- Silico-manganese steels;<sup>17</sup>

The products subject to this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7208.10.1500, 7208.10.3000, 7208.10.6000, 7208.25.3000, 7208.25.6000, 7208.26.0030, 7208.26.0060, 7208.27.0030, 7208.27.0060, 7208.36.0030, 7208.36.0060, 7208.37.0030, 7208.37.0060, 7208.38.0015, 7208.38.0030, 7208.38.0090, 7208.39.0015, 7208.39.0030, 7208.39.0090, 7208.40.6030, 7208.40.6060, 7208.53.0000, 7208.54.0000, 7208.90.0000, 7210.70.3000, 7211.14.0030, 7211.14.0090, 7211.19.1500, 7211.19.2000, 7211.19.3000, 7211.19.4500, 7211.19.6000, 7211.19.7530, 7211.19.7560, 7211.19.7590, 7225.11.0000, 7225.19.0000, 7225.30.3050, 7225.30.7000, 7225.40.7000, 7225.99.0090, 7226.11.1000, 7226.11.9030, 7226.11.9060, 7226.19.1000, 7226.19.9000, 7226.91.5000, 7226.91.7000, and 7226.91.8000. The products subject to the investigation may also enter under the following HTSUS numbers: 7210.90.9000, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7214.91.0015, 7214.91.0060, 7214.91.0090, 7214.99.0060, 7214.99.0075, 7214.99.0090, 7215.90.5000, 7226.99.0180, and 7228.60.6000.

The HTSUS subheadings above are provided for convenience and U.S. Customs and Border Protection purposes only. The written description of the scope of the investigation is dispositive.

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<sup>15</sup> Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

<sup>16</sup> Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

<sup>17</sup> Silico-manganese steel is defined as steels containing by weight: (i) not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

## **Appendix II**

### **List of Topics Discussed in the Final Issues and Decision Memorandum**

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IV. Scope Comments

V. Changes Since the Preliminary Determination

VI. Margin Calculations

VII. Discussion of the Issues

Comment 1: Colakoglu's Duty Drawback Adjustment

Comment 2: Colakoglu's U.S. Indirect Selling Expenses

Comment 3: Colakoglu's International Ocean Freight

Comment 4: Colakoglu's U.S. Commissions

Comment 5: Corrections to Colakoglu's Cost Database

Comment 6: Colakoglu's Cost-Averaging Methodology

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Comment 8: Colakoglu's General and Administrative Expense Ratio

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Comment 12: Erdemir's Major-Input and Transactions-Disregarded Adjustments

Comment 13: Erdemir's Financial Expenses

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Comment 15: Erdemir's General and Administrative Expenses

VIII. Recommendation

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